Form (2)

Union of Myanmar Myanmar Investment Commission

Sr. No 2020 : D

Dated 29 . 1 . 98.

The Myanmar Investment Commission

PERMIT

Permit No. 304 /98 Date 29th JANUARY 1998

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. YUKICHI KISHI

(b) Citizenship JAPAN

(c) Address MINATO 1850 WAKAYAMA CITY, JAPAN

(d) Name and address of principal organization WAKAYAMA KYODO KENZAI CO., LTD, MINATO 1850 WAKAYAMA CITY, JAPAN

(e) Place of incorporation JAPAN

(f) Type of business in which investment is to be made PRODUCTION OF READY MIXED CONCRETE

(g) Place (s) at which investment is permitted AT THE BANK OF PAZUNDAUNG CREEK, DAWBON TOWNSHIP, YANGON

(h) Amount of foreign capital US $ 2.60 MILLION

(i) Period for bringing in foreign capital WITHIN THREE YEARS

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 2.60 MILLION

(k) Permitted duration of investment 15 YEARS

(l) Name of the economic organization to be formed in Myanmar JAPAN CONSTRUCTION MATERIAL CO., LTD.

Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့် ပြု မိန့်

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ် ၁/ ၀၂.၀ ..
နေ့စွဲ ၂၉.၁.၉၈

ခွင့်ပြုမိန့်အမှတ် ၃၀၄/၉၈ .... ၁၉၉၈ခုနှစ် ဇန်နဝါရီ လ ၂၉ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. YUKICHI KISHI

(ခ) မည်သည့်နိုင်ငံသား JAPAN

(ဂ) နေရပ်လိပ်စာ MINATO 1850 WAKAYAMA CITY, JAPAN

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ WAKAYAMA KYODO KENZAI CO.,LTD. MINATO 1850 WAKAYAMA CITY, JAPAN

(င) ဖွဲ့စည်းရာအရပ် JAPAN

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား အသင့်ဖျော်စပ်ပြီး ဘိလပ်မြေများ ထုတ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) ပုဇွန်တောင် ချောင်းဘား၊ ဒေါပုံမြို့နယ်

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၂.၆၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ (၃) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန် ဒေါ်လာ ၂.၆၀ သန်း နှင့်သီးမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း (၁၅) နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် JAPAN CONSTRUCTION MATERIAL CO., LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/445/97(2020-D)
Dated : 29th January 1998.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Production of Ready Mixed Concrete (JCM Batching Plant)" under the name of "Japan Construction Materials Co., Ltd.".**

Reference: Yangon City Development Committee Letter No. 0009/36/Sebin-Ka Kha (Na Sa Ya) dated 5-1-98.

1. The Myanmar Investment Commission, at its meeting 1/98 had reviewed the proposal for investment in "Production of Ready Mixed Concrete (JCM Batching Plant)" under the name of "Japan Construction Materials Co., Ltd." submitted by Wakayama Kyodo Kenzai Co., Ltd. of Japan as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 4/98 held on 22-1-98 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 15(Fifteen) years commencing from the date of official opening of JCM Batching Plant and extendible for another term upon mutual agreement between Yangon City Development Committee and Wakayama Kyodo Kenzai Co., Ltd. At the expiry of the leased period, Japan Construction Materials Co., Ltd. shall transfer all material assets to Yangon City Development Committee without any consideration.

4. The annual rent shall be US $ 5(United States Dollars Five Only) per square metre per annum for the total land area (1.528) acre to the amount of US $ 30935(United States Dollars Thirty Thousand Nine Hundred and Thirty Five Only). The rent shall be reviewed every 5(Five) years and the increase of the rent shall not be more than 15(Fifteen) percent of the preceding annual rent.

5. Wakayama Kyodo Kenzai Co., Ltd. shall pay US $ 1000(United States Dollars One Thousand Only) per day for each day of delay in the completion of JCM Batching Plant.

6. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Japan Construction Materials Co., Ltd. shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Japan Construction Materials Co., Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Japan Construction Materials Co., Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(e), Japan Construction Materials Co., Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Japan Construction Materials Co., Ltd. shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Japan Construction Materials Co., Ltd. shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all othe[illegible] machinery, equipment, instruments, machinery components, spare parts [illegible] materials used in the business, which are imported as they are actually required for use during the period of construction.

(i) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are

actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

7. Wakayama Kyodo Kenzai Co., Ltd. shall have to sign the Build, Operate and Transfer Contract and the Lease Agreement with Yangon City Development Committee. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

8. Japan Construction Materials Co., Ltd., in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. Japan Construction Materials Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

10. The official date of operation for the expansion of the project shall be reported to the Commission.

11. Japan Construction Materials Co., Ltd. shall endeavour to meet the targets for production stated in the proposal as the minimum target.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

13. Whenever Japan Construction Materials Co., Ltd. brings in foreign c[illegible] Section 2(h) of the said Law, other than foreign currency in the manner stated in pa[illegible]aph 12(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

15. Japan Construction Materials Co., Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

16. Japan Construction Materials Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

17. Japan Construction Materials Co., Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

18. Payment of principal and interest of the loan (if any)) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Japan Construction Materials Co., Ltd..

19. Japan Construction Materials Co., Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary

Mr. Yukichi Kishi
Wakayama Kyodo Kenzai Co., Ltd.
c/o The Secretary
Yangon City Development Committee

cc: 1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council

3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Industry (1)
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power
13. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
14. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Union of Myanmar Chamber of Commerce and Industry